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**BEFORE THE ARIZONA CORPORATION COMMISSION**

LEA MÁRQUEZ PETERSON  
Chairwoman

SANDRA D. KENNEDY  
Commissioner

JUSTIN OLSON  
Commissioner

ANNA TOVAR  
Commissioner

JIM O'CONNOR  
Commissioner

Arizona Corporation Commission

**DOCKETED**

**MAR 24 2022**

DOCKETED BY

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IN THE MATTER OF THE ARIZONA  
CORPORATION COMMISSION'S  
CREATION OF THE WATER TASK  
FORCE.

DOCKET NO. W-99999A-21-0313

Decision No. 78513

ORDER

Open Meeting  
March 15 and 16, 2022  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

**Background**

1. On September 2, 2021, the Arizona Corporation Commission ("Commission") issued Decision No. 78218, that directed the Commission's Utilities Division Staff ("Staff") to coordinate the formation of a Water Task Force, work collaboratively with entities and individuals that are interested in participating, and present a list of recommended participants for the Commission's approval. On September 23, 2021, Staff opened Docket No. W-99999A-21-0313 for this purpose. On December 7, 2021, Staff issued a memo to the Docket with the list that had been compiled up to that point of interested parties and asked that any other interested persons respond to Staff by December 21, 2021.<sup>1</sup> Staff received only one additional response from an interested party, along with several responses from parties confirming their prior commitments. Here is the updated list of interested parties:

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<sup>1</sup> An identical memo was also issued in Docket No. W-00000C-16-0151.

Party/Individual	
1	Arizona Water Company
2	Brian Hageman
3	Central States Water Resources
4	EPCOR
5	Global Water Resources, Inc.
6	Greenstone
7	JW Water/Pivotal
8	Liberty Utilities
9	Lincus
10	Melodee Loyer
11	NextEra Water
12	Residential Utility Consumer Office ("RUCO")
13	Southwestern Utility Management
14	Tucson Electric Power Company ("TEP") and UNS Electric, Inc. ("UNSE")
15	Water Utility Association of Arizona ("WUAA")

2. Decision No. 78218 directed that the Water Task Force address the issues of water loss, water supply, conservation, long-term planning, resilient and reliable infrastructure, the water-energy nexus, and potential updates to the water policies adopted in Decision No. 75626, within the contexts of Demand-Side Management ("DSM"), rate design, and regulatory climate. Once formed, the participants should be empowered to develop and present for the Commission's approval the Water Task Force's initial governing documents and scope, such as the organizational structure, overall goals and objectives, and timelines upon which the Water Task Force may make and present recommendations to the Commission.

#### Staff Analysis and Recommendations

3. Staff has evaluated the requests from the parties who expressed interest in participating on the Water Task Force. Based on this evaluation, Staff recommends that the parties listed in the following table be approved as members of the Water Task Force.

Party/Individual	
24	Arizona Water Company
25	Central States Water Resources
26	EPCOR
27	Global Water Resources, Inc.
28	Greenstone
	JW Water/Pivotal
	Liberty Utilities



Party/Individual
Lincus
Melodee Loyer
NextEra Water
RUCO
Southwestern Utility Management
TEP and UNSE
WUAA
Commission Staff

4. Further, because there was not a targeted outreach, and other parties who may be interested in participating may not monitor Commission dockets and therefore are unaware of the Water Task Force, Staff recommends that the Commission contact the following parties directly to gauge their interest in participating. Staff believes that these parties are key players in the issues identified in Decision No. 78218 to be addressed by the Water Task Force.

Additional Parties to Contact to Gauge Interest in Participating
Arizona Department of Water Resources ("ADWR")
Arizona Department of Environmentally Quality ("ADEQ")
Central Arizona Project ("CAP") and Central Arizona Water Conservation District ("CAWCD")
Arizona Water Banking Authority ("AWBA")
Arizona Public Service Company ("APS")
Kyl Center for Water Policy at Arizona State University ("Kyl Center")

5. Staff recognizes that Decision No. 78218 directed the participants of the Water Task Force to develop and present for the Commission's approval the initial governing documents and scope. However, to move forward with efficiency and in line with the directive that Staff make recommendations on participation, Staff would like to offer some initial recommendations as to the structure of the Water Task Force and the specific participation of some of the parties, based on the letters of interest that were docketed and other correspondence received by Staff. Consistent with how the 1990's Water Task Force functioned, along with the identified topics to be addressed by the Water Task Force detailed in Decision No. 78218, Staff recommends that the Water Task Force consist of the following subcommittees:

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1. Water Use – to include the issues of water loss, supply, conservation and long-term planning.
2. Infrastructure – to include the issues of long-term planning, and resilient and reliable infrastructure.
3. Water-Energy Nexus.
4. Water Policies – specific updates to the Commission’s Water policies approved in Decision Nos. 75626, 75743, and 78384 within the contexts of DSM, rate design, and regulatory climate.

6. Moreover, we recommend that Staff be the responsible party for drafting the Water Task Force documents to be presented to the Commission. Staff recommends that participation be limited to no more than two representatives from each party on each subcommittee. However, the same person or persons can sit on more than one subcommittee. Further, each party may also have different people participate in each subcommittee, at their discretion. Staff recommends that the Commission name a Water Task Force chairperson and that these meetings be open to the public. Staff recommends that the following parties participate on the indicated subcommittees.

Party/Individual	Water Use	Infrastructure	Water-Energy Nexus	Water Policies
Arizona Water Company	Yes	Yes	Yes	Yes
Central States Water Resources	Yes	Yes	Yes	Yes
EPCOR	Yes	Yes	Yes	Yes
Global Water Resources, Inc.	Yes	Yes	Yes	Yes
Greenstone	Yes	No	Yes	No
JW Water/ Pivotal	Yes	Yes	Yes	Yes
Liberty Utilities	Yes	Yes	Yes	Yes
Lincus	Yes	No	Yes	No
Melodee Loyer	Yes	Yes	Yes	No
NextEra Water	Yes	Yes	Yes	No
RUCO	Yes	Yes	Yes	Yes
Southwestern Utility Management	Yes	Yes	Yes	Yes
WUAA	Yes	Yes	Yes	Yes
TEP and UNSE	Yes	No	Yes	No
ACC Staff	Yes	Yes	Yes	Yes

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7. To the extent that the additional parties express an interest in participation after outreach, Staff makes the following recommendations as to their participation.

Additional Parties to Contact to Gauge Interest in Participating	Water Use	Infrastructure	Water-Energy Nexus	Water Policies
ADWR	Yes	Yes	Yes	No
ADEQ	Yes	Yes	No	No
CAP and CAWCD	Yes	No	No	No
AWBA	Yes	No	No	No
APS	Yes	No	Yes	No
Kyl Center	Yes	Yes	Yes	No

8. Staff also recommends that each party notify the Commission who they have identified to participate on the Water Task Force subcommittees within 60 days of a Decision being issued in this matter.

9. Should any party wish to participate on a subcommittee where they are not listed, they should file comments to the docket to make their interest known. Likewise, any party not interested in participating on a recommended subcommittee should also file comments indicating so, and Staff will make the appropriate recommendations.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the matters discussed herein pursuant to Article 15 of the Arizona Constitution and Title 40 of the Arizona Revised Statutes.

2. It is reasonable and in the public interest to form the Water Task Force as discussed herein.

#### ORDER

IT IS THEREFORE ORDERED that the Water Task Force shall consist of the following members.

Party/Individual
Arizona Water Company
Arizona Public Service Company
Central States Water Resources

Party/Individual
EPCOR
Global Water Resources, Inc.
Greenstone
JW Water/Pivotal
Liberty Utilities
Lincus
Melodee Loyer
NextEra Water
Residential Utility Consumer Office
Southwestern Utility Management
Tucson Electric Power Company and UNS Electric, Inc.
Water Infrastructure Finance Authority of Arizona
Water Utility Association of Arizona
Commission Staff

IT IS FURTHER ORDERED that the Water Task Force shall consist of subcommittees for Water Use, Infrastructure, Water-Energy Nexus, and Water Policies.

IT IS FURTHER ORDERED that participation on the subcommittees shall be capped at two members from each participating party and limited as outlined in Finding of Fact 6, to include the Water Infrastructure Finance Authority of Arizona's participation on the water use and infrastructure subcommittees.

IT IS FURTHER ORDERED that each of the parties selected to participate on the Water Task Force shall make a filing in this docket, to identify to the individual(s) from their company/agency they have selected to participate on the Water Task Force for each subcommittee within 60 days of a Decision in this matter.

IT IS FURTHER ORDERED that Staff shall be responsible for drafting the documents prepared by the Water Task Force for presentation to the Commission.

IT IS FURTHER ORDERED that the Commission appoint a chairperson of the Water Task Force.

IT IS FURTHER ORDERED that the Water Task Force meetings be open to the public.

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IT IS FURTHER ORDERED that Staff be directed to contact the parties listed in Finding of Fact 4, along with a minimum of two non-profit/non-government organizations with expertise and direct interest in water conservation ("Water Conservation Groups"), Grand Canyon State Electric Cooperative Association, and Tierra Water Management, to gauge their interest in participating on the Water Task Force, and to update the Commission within 60 days of a Decision in this matter.

IT IS FURTHER ORDERED that Arizona Public Service Company is hereby directed to participate on the Water Use, and Water-Energy Nexus subcommittees of the Water Task Force.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

  
CHAIRWOMAN MARQUEZ PETERSON

  
COMMISSIONER KENNEDY

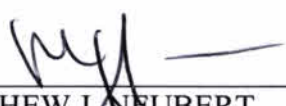
  
COMMISSIONER OLSON

  
COMMISSIONER TOVAR

  
COMMISSIONER O'CONNOR



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 29 day of March, 2022.

  
MATTHEW J. NEUBERT  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EOA: BAB:elr/KLK